

# Outreach Outreach



*H. David Hayes  
Board Chairman*



*Janice L. Myrick  
Executive Director*



*O. William Long  
Board Vice Chairman*

Thank you Bill Long for serving on THDA's Board for the past ten years-nine as the vice chairman.

## Message from Executive Director

THDA has continued over the years to be the lead state agency promoting safe and affordable housing for Tennesseans who need help. This includes the preservation of existing affordable housing, the creation of new affordable housing, rental assistance and funding mortgages.

As a state agency, we must look at all areas of Tennessee, accessing the housing needs across the state and the capacity of each area to meet these needs. Then, we must set the program parameters to meet the needs of as many families as possible. No one entity can carry out such a responsibility alone. Government, non-profit and for profit partners must all work together to achieve such goals. We are fortunate in Tennessee to have many individuals and organizations dedicated to meeting the needs of Tennessee's families; working together to make an impact.

In 2002, THDA made a concentrated effort to meet with our partners and interested parties to discuss our State's housing needs and possible solutions. We formed new partnerships, implemented new programs, and made some changes to existing programs while making plans to change others. We worked to strengthen existing partnerships and relationships, to better address housing needs across the State.

As we begin our 30<sup>th</sup> year, we will continue our outreach efforts as we celebrate our many successes. Many thanks to the Board of Directors, who provide direction and support to the housing programs and initiatives, and to a dedicated staff who make it all happen.

Sincerely,

A handwritten signature in cursive script that reads "Janice L. Myrick".

Janice L. Myrick

# Outreach Outreach



## Executive Division 2002 Outreach Events

Greater Memphis Regional Housing Summit  
East Regional Housing Summit  
Southeast Regional Housing Summit  
Southwest Regional Housing Summit  
Northwest Regional Housing Summit  
Northeast Regional Housing Summit  
Upper Cumberland Regional Housing Summit  
South Central Regional Housing Summit  
Greater Nashville Regional Housing Summit  
Participated in Bredesen's Housing Forums  
Presented Housing Programs to Black Caucus  
Appalachian Conference Planning Committee  
2002 HOME Workshops  
2002 Appalachian Conference  
Affordable Housing CDC function in Chattanooga  
Mid-America Habitat Conference in Louisville  
Presentation to FAHE Conference  
Presentation at Legislative Planning Forum in Memphis  
Spoke at Brownsville town meeting with Congressman Tanner  
HOPE VI Dedication in Knoxville (LIHTC)

McKendree Arbors dedication in Springfield (HOME)  
Millennium House ribbon cutting (LIHTC)  
Creative Compassion Dedication in Crossville  
Presented THDA programs to MAAG in Memphis  
2002 MFSP forum for multifamily developers.  
Annual Legislative Retreat  
Hispanic Homeownership Conference Planning  
Housing Tax Credit Compliance Workshop  
Homebuyers Education Initiative  
Partners working to build the Homeownership Voucher Program  
Row 8.9n Urban Townhomes open house  
Laurel House Groundbreaking (LIHTC)  
Habitat for Humanity dedications and groundbreakings across the State  
Rotary Presentations across the State  
Radio Talk Shows  
Housing Matters Quarterly Publication  
Press releases for 2002  
30-Year Anniversary Calendars

# Outreach Outreach



## Homeownership Reaching out to first-time homebuyers. . .

The Homeownership Division at THDA administers various mortgage programs statewide designed to provide financing for first-time homebuyers with low to moderate income. The success of this program depends on our maintaining productive partnerships with financial institutions and mortgage bankers, who originate our loans. Consolidation within the banking and mortgage banking industry has decreased the number of THDA Originating Agents; however, the actual number of branch offices originating THDA loans has increased.

During calendar year 2002, over \$215 million was provided to over 2,600 first-time homebuyers to finance the purchase of their home. We reinstated conventional loans as a program type in our

continuing effort to better serve the rural counties throughout the state. In addition, we visited financial institutions in Weakley, Obion, Dyer, Gibson, Carroll, Fayette, Hardeman, McNairy, Hardin, Wayne and Perry Counties to encourage participation in our mortgage programs. We will continue to focus on underserved counties throughout the state and will call on financial institutions in East Tennessee in early Spring of 2003. The New Start Program implemented in late 2001 now has 29 non-profit program partners participating with THDA to aid low-income families purchase a newly constructed home at zero percent interest. Approximately \$3 million has provided 64 families the ability to purchase a new home. These families would not

have been able to purchase their own home without this program. We conducted approximately 20 training sessions for Mortgage Lending and Real Estate Professionals throughout the state with an average attendance of 30-40 people per session. These training sessions were held in Fayetteville, Knoxville, Nashville, Springfield, Memphis and Union City. Additionally, Debbie Reeves, Assistant Homeownership Director, recently attended and graduated from the Tennessee Government Management Institute. Employee education and training is encouraged within the division and this was an excellent management course provided by the state and the University of Tennessee.

# Outreach Outreach



## Community Programs Reaching out to meet the needs of families in urban and rural Tennessee. . .

In 2002, the Community Programs Division experienced many changes with the beginning and ending of program activities. On an ongoing basis, this Division administers the federally-funded HOME program to assist families across the state of Tennessee, who need help with affordable housing and who meet the requirement of being considered low or very low income. In March 2002, 149 applicants requested a total of \$69,170,788 in HOME funding. With an allocation of \$16,705,000, THDA funded 45 applications to address 511 housing units.

Although the majority of the applications and awards funded were for owner-occupied housing rehabilitation, over \$7.3 million funded rental housing programs. Of that amount, over \$2.5 million was funding for housing for the mentally ill, which added to the \$2 million funded last year under the Creating Homes Initiative with the Depart-

ment of Mental Health and Developmental Disabilities, resulting in a total of \$4.5 million in housing for the mentally ill. With the increase in special needs and rental housing projects, many non-profits will be HOME grantees for the first time. In response to the need to make HOME policies and regulations accessible for the grantees, the staff entered the 2002 HOME Manual on the THDA web site.

Community Programs continues to administer and to monitor projects with the state-funded HOUSE program and the THDA-funded Local Match and Great Place programs. However, the last of the HOUSE funds were expended in 2002. In addition, the final year of a three-year funding cycle was awarded to the Habitat for Humanity International, Mid-America Region, so local habitat affiliates can construct the remaining houses in 33 of the 99 legislative districts under the HOUSE the General Assembly

Built program. Staff made a presentation at the regional conference for habitats in the Mid-America Division in Louisville, Kentucky, along with the Federal Home Loan Bank as one of the other partners in the project.

The Bicentennial Neighborhood Initiative is coming to a close at the end of the year. However, we implemented a new Homebuyer's Education Program this year to provide training and monitoring for agencies providing homebuyers education and counseling. This was a partnership effort with the Neighborhood Reinvestment Corporation and AmSouth Bank which has resulted in 113 persons trained in three "train the trainer" sessions across the state. As the year comes to a close, the Division anticipates major changes in the way HOME funds are allocated across the state and looks forward to the opportunities and partnerships accompanying the changes.

# Outreach Outreach

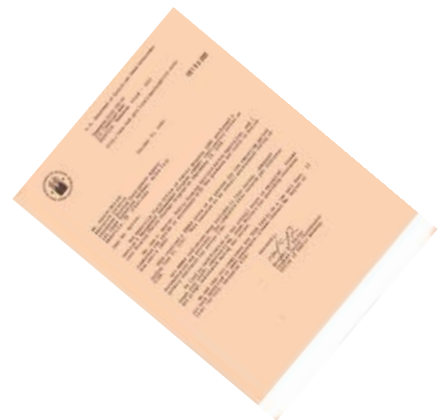


## Section 8 Rental Assistance Reaching out to meet Tennessee's rental needs . . through Section 8 Rental Assistance

The Rental Assistance Division administers housing assistance and self sufficiency programs for very low income families throughout Tennessee, including the Section 8 Housing Choice Voucher rental assistance program, the Homeownership Voucher mortgage assistance program, and the Family Self Sufficiency Program. The division also conducts inspections for the State of Tennessee Rental Assistance program (STRAP) for the Department of Mental Health and Developmental Disabilities

(MHDD). Over the past fiscal year, the voucher program assisted more than 5,700 very low-income families throughout Tennessee pay rent in private rental units. Additionally, THDA recently was awarded 70 vouchers through HUD's Fair Share funding to target assistance for the disabled. THDA has worked closely with the Division of Mental Health and Developmental Disabilities this year to expand housing opportunities for the disabled. The Rental Assistance division was designated a high performer for

the second year by the Department of Housing and Urban Development (HUD) through the Section 8 Management Assessment Program (SEMAP).



# Outreach Outreach



# FSS

The Homeownership Voucher program, which was launched in fiscal year 2001, expanded during fiscal year 2002 from program development to final adoption. So far, eleven families have purchased homes with assistance under the program, and over one hundred other rental assistance families have begun the homebuyer education process and are working toward homeownership. A successful Homeownership Voucher program requires partnerships with non-profits, lenders and frequent outreach efforts in the community. Since THDA administers the Housing Choice Voucher program in 78 counties, partnerships across the state are necessary. Currently, THDA has partnered with all of the Neighborworks Organizations (Affordable Housing Resources, Inc., Housing Development Corporation of the Clinch Valley,

Inc., Knox Housing Partnership, United Housing, Inc.) in our jurisdictional area, as well as Rural Development, Rural Legal Services and Tennessee Network for Community Economic Development to offer families the most success in their transition from renter to homeowner. THDA also recently hosted a Homeownership Voucher summit with the Tennessee Association of Housing and Redevelopment Authorities (TAHRA) and HUD to encourage an alliance of all Tennessee public housing authorities (PHAs) in the administration of the program.

THDA's Family Self Sufficiency (FSS) program increased to over 200 participants during the past fiscal year. In the FSS program, voucher program participants work with THDA staff to develop the resources necessary to become free of welfare and other government

assistance. As FSS participant's rent responsibility increases due to earned income increases, the dollar amount of the increase is set-aside in a savings account that the family will receive when graduating from the program. More than 50 percent of FSS participants currently are earning escrow (savings) due to increases in earned income. In addition, in the past year, 17 families completed all of their goals and graduated from the program, with \$57,650 in escrow distributed to successful graduates. Five FSS participants completed the goal of homeownership.

# Outreach Outreach



## Section 8 Contract Administration Reaching out to meet Tennessee's rental needs . . through Section 8 Contract Administration

On November 30, 2002, THDA completed its second year as Section 8 Contract Administrator for the Department of Housing and Urban Development. THDA assures compliance of group homes and apartment complexes that have on them HUD housing assistance payments contracts, sometimes known as project-based

Section 8 rental subsidies.

During the past year, THDA staff performed over 400 management reviews and processed over \$98.6 million in rental subsidy payments. Due to the continually evolving nature of the contract administration initiative, THDA staff participated in state and regional housing conferences

sponsored by the Southeastern Affordable Housing Managers Association. These conferences allowed THDA and HUD staff the opportunity to share requirements, practices, and processes with owners and management agents of Tennessee Section 8 properties in an effort to produce program consistency and to hear issues of owners and management agents. THDA staff also participated in national HUD meetings attended by all contract administrators thus allowing THDA staff to share its practices and processes as well as gain knowledge of other contract administrator practices and processes in an effort to move closer to nationwide consistency.



# Outreach Outreach

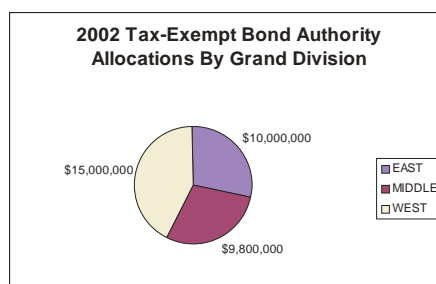
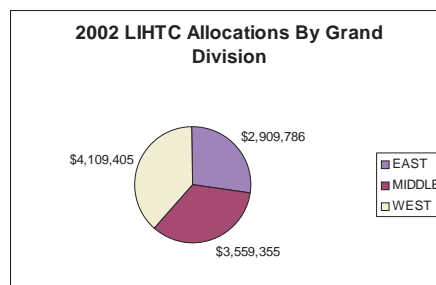


## Multifamily & Special Programs Reaching out to meet Tennessee's rental needs . . through Tax Credit Developments and Multifamily Bond Authority

THDA's Multifamily and Special Programs Division administers the allocation portion of the Low-Income Housing Tax Credit program and the Multifamily Tax-Exempt Bond Authority program. Through the allocation of Low-Income Housing Tax Credits and Multifamily Tax-Exempt Bond Authority, THDA reaches out to non-profit and for-profit private sector entities to create and maintain affordable multifamily and single family rental housing. Both programs provide financial benefits that allow the units to be rented to households with incomes no greater than 60% of the area median income adjusted for household size.

Each year, the Multifamily and Special Programs Division hosts several meetings across the state to educate and seek input from interested parties. These well-attended meetings are free, open to the public and provide a forum for the exchange of ideas and information about Tennessee's affordable rental housing needs.

In 2002, THDA allocated more than \$10.5 million in Low-Income Housing Tax Credits for the creation or preservation of over 2,000 units of affordable rental housing and more than \$34 million in Multifamily Tax-Exempt Bond Authority for the creation or preservation of over 1,200 units of affordable rental housing.



# Outreach Outreach

## Mortgage Administration Reaching out to the customers we serve. . .

In 2002, Mortgage Administration was a key player in the implementation of an exciting new way to conduct our business. THDA uses private companies to service THDA's 30,000 loans. Each servicer submits monthly reports either in hard copy or computer spreadsheets, and this division spends most of the month reconciling the THDA database with each servicer and each bond issue. The time needed for this intensive reconciliation method has contributed to the extensive amount of time needed to complete the agency's financial records each period.

Electronic reporting, a better and faster reporting and reconciling method, has been in the planning and development stage for more than two years. In January 2002, First Trust Mortgage in Memphis became our first THDA servicer to begin testing this new program, and they were reporting exclusively in this manner by April. In October, American Home Mortgage in Chattanooga became the second THDA servicer to report electronically. The results so far have exceeded everyone's high expectations.

Electronic reporting means

that the servicers no longer are required to keep up with bond issues, produce extensive paper reports or send expensive exception tapes to THDA each month. Now, the servicer is essentially "balanced" with THDA each day when they transmit their data file. When all THDA servicers are reporting electronically, THDA's database will be current through the previous business day rather than through the previous one or two months. In addition to being a tremendous time saver, the agency will be able to produce financial statements much faster. It is our

goal that the remaining servicers will be reporting electronically by the end of the second quarter of 2003.

In August 2002, Sharon Pommer joined the division as the division Assistant Director. As a former THDA servicer, Sharon brings a wealth of talent and experience to THDA and has already proven to be a great asset in working with our servicers. Her skills will be even more valuable when THDA implements plans to begin servicing a portion of our loan portfolio.



# Outreach Outreach



## Management Information Systems Reaching out to staff and THDA customers. . .

The Management Information Systems (MIS) Division is responsible for the information technology needs of the agency. System enhancement and integration plus network security were the major themes for MIS during calendar year 2002. The division tested and implemented the Electronic Trustee-Servicer-THDA Master Servicing Interface system, bringing two servicers on-line and began testing with a third servicer. This interface system will have a major impact on THDA's mortgage servicing and bond finance functions.

The MIS division implemented new software systems (cash

management, bond debt service, TRACSMail) and enhanced other software applications. Over 100 individual staff members received upgraded computers and monitors. The agency's network was both productive (99.6% uptime) and secure (caught over 156 viruses and upgraded security on all workstations at least twice).

The MIS division is also responsible for training agency staff. During 2002 a new training classroom was constructed and the division provided training to over 175 persons in various classes.

Division staff was recognized during the year for their outstand-

ing work. Wayne Witgenstein was promoted to the newly created Assistant Director of MIS in October. Director Larry Richardson received the agency's Management Leadership Award for his work on the electronic servicer interface. Linda Foulks (Information Resource Support Specialist) received the Coach/Mentor Award, and David Castle (Systems Support Specialist) was named the first ever THDA employee of the quarter for his work on the Section 8 Contract Administration Program during the first quarter of 2002.

# Outreach Outreach



## Research, Planning and Technical Reaching out to benefit other organizations with the most current information involving Tennessee. . .

In the past year, the Research and Planning Division was involved in a number of important new projects, as well as continuing our involvement in various ongoing activities. Many of these impacted the outreach efforts of THDA and strengthened our relationships in the community, state and region.

In the spring of 2002, the Research and Planning Division played a crucial role in the success of the second annual Appalachian Housing Summit, held in Mountain Lake, Virginia along with THDA's partners from the Kentucky Housing Corporation, West Virginia Housing Development Fund, our host, the Virginia Housing Development Authority, and the Federation of Appalachian Housing Enterprises. Along with our non-profit partners, the conference explored ways our programs can be used to better meet the needs of the impoverished and sometimes remote areas of

Appalachia.

In the Autumn of 2002, the culmination of several months' of preparation and planning resulted in nine regional housing summits across the state, which THDA sponsored along with the Federal Home Loan Bank of Cincinnati, HUD, and USDA Rural Development. The purpose of the summits was to learn more about the housing needs of communities and housing providers. Summits were held in Jackson, Covington, Dresden, Cookeville, Columbia, Ashland City, Kingsport, Alcoa, and Chattanooga. There were over 200 participants statewide, representing 55 local governments, 84 nonprofit organizations, 12 public housing authorities and various other groups. A wide range of concerns and needs were expressed at the summit. In addition, data was collected through surveys that participants were asked to complete. This information was

summarized and placed on THDA's website.

Another very important project for 2002, and one that corresponded with the regional housing summits, was an analysis of housing-related data from the 2000 Census. This data, important for housing providers across the state, was made available on our website. Another important project involved increasing our mapping capabilities (we completed a project involving mapping of all 5,000+ section 8 voucher holders throughout Tennessee).

In addition to these special projects, we maintained our contact and the agency's outreach efforts through our participation in a number of committees, including the statewide fair housing committee, the Chafee Oversight Committee, the Mental Health Planning Council, the Creating Homes Initiative Task Force for Middle Tennessee, and the Low Income Housing Forum.

# Outreach Outreach



## Internal Audit Division Reaching out to ensure the accountability of THDA programs . . .

THDA's Internal Audit Division is comprised of the Compliance section and the Internal Audit section. The Internal Audit section is responsible for independently auditing and evaluating internal controls for all agency programs and organizations servicing our loan portfolio selected on a risk-assessment basis, ensuring compliance with applicable laws and regulations, promoting operational efficiency to streamline and safeguard programs, and performing special projects. The Compli-

ance section is responsible for reviewing records and inspecting properties of HOUSE and HOME grantees and those receiving Low-Income Housing Tax Credits to ensure compliance throughout the affordability period. In addition, the Quality Control Officer for the Section 8 Contract Administration Division is housed in the Compliance section to afford appropriate independence when reviewing functions within this division.

For the calendar year ending December 31, 2002, the Internal

Audit section released the following reports: Business Resumption Plan Review; Follow-up of State Audit 2001; JONAH Review; and the Housing Development Corporation of the Clinch Valley Review. In addition, a number of projects are in progress including Firststar Servicer Audit; First Horizon Servicer Audit; Servicer Fee Review; Check Writing Process Review; Early Payment Default Review; Homeownership Division Review; Quality Control, 2001; STRAP Follow-up; and Fiscal Administration Review.

For the calendar year ended December 31, 2002, the Compliance section completed 126 audits of low-income housing property. We also completed 13 audits of housing grant property. We conducted six on-site training sessions for owners of low-income housing credits and grant recipients. We held three Manager's Workshops and one Owner's Workshop.



# Outreach Outreach



## Fiscal Administration Reaching out to support THDA staff . . .

The Fiscal Administration Division works collectively to support and assist the program divisions in meeting the Agency goals and summarizes the results of these efforts through accounting and financial reporting.

Technology gains were a major highlight during 2002. The fiscal administration division took the lead in implementing a new cash management module and debt management module within the current mortgage finance system (Mitas). In addition, the agency's general ledger accounting system (Solomon) was upgraded. This division also worked closely with MIS and Mortgage Administration in implementing the electronic reporting interface between the agency, trustee and mortgage servicers.

The financial and human resource investments in these systems should result in a more efficient accounting and management function that should benefit the entire Agency and its customers.

Another major challenge during the year was the implementation of the Governmental Accounting Standards Board (GASB) Statement #34. This drastically changes the way financial information is presented and required a great deal of staff time and expertise to implement. Through interdivisional cooperation, we were able to successfully report the financial operations of the Agency. Due to the complexities of the GASB 34 implementation, the statements were not presented in comparative form for FYE 2002, but will return

to comparative form for FYE 2003. The financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by GASB.

On October 2, 2002, Wachovia Bank replaced JPMorgan Chase as the agency's trustee. The Fiscal Administration Division worked hard with other THDA divisions to ensure a smooth transition in this very important relationship.

The Fiscal Administration staff continued to do outstanding work during 2002. Joe Brown, a 10-year veteran of THDA as an auditor and accountant, was promoted to Assistant Director of Fiscal Administration in July.

# Outreach Outreach



## Finance Division

### Reaching out to ensure THDA's financial stability . . .

The Finance Division is responsible for managing the agency's cash and investments. To accomplish this, the agency has developed relationships with a variety of investment providers. These include national, regional and local companies. With interest rates approaching 40 years lows, this task continues to be a quite a challenge. The division is also responsible with for managing the agency's debt service. An independent trustee holds the bond funds and the division works closely with them to ensure that the agency's resources are invested in the most efficient and economical manner possible. In addition, THDA has an outside

financial advisor that helps the agency structure bond deals and analyze cash flows. In 2002 the agency sold \$170 million in tax-exempt mortgage revenue bonds, funded \$220 million in mortgages and paid \$288 million in debt service (including bond calls).

On October 2, 2002 Wachovia Bank replaced JPMorgan Chase as the agency's trustee. The finance division worked hard to ensure a smooth transition in this very important relationship. Also during the year the agency purchased and implemented an automated debt management system. The system was tested and staff was trained near the end of the fiscal year and implementa-

tion occurred in July 2002. The system will provide more accurate and timely information that will allow the agency to make better decisions on debt service and bond redemptions.

The year 2002 marked a major milestone for the Finance Division and THDA. Sam Epting, the only Director of Finance in THDA's 28 years, retired at the end of August. Wayne Beard, a 17- year veteran at THDA, took over the reigns of the division upon Sam's retirement. Much of THDA's financial strength can be attributed to Sam's dedication and expertise. Good luck in your retirement Sam, THDA will miss you.

# Outreach Outreach

Tennessee Government  
Management Institute



*Debbie Reeves*  
Assistant Director Homeownership  
Division

Tennessee Government  
Executive Institute



*Laura Swanson, Director*  
Section 8 Rental Assistance

## Employees Promoted in 2002

### Community Programs

Susan Foulks

### Fiscal Administration

Beth Pugh

Carol Buyna

Joe Brown

Janice Mash

Wayne Beard

### Homeownership Division

Debbie Gatlin

Lisa Hayes

### Management Information Systems

Wayne Witgenstein

### Internal Audit Division

Amy Newport

## New Employees for 2002

### Executive Division

Bruce Balcom

Vickie Dearborn

### Fiscal Administration

Donna Sherrell

Ana Stovall

### Finance Division

Wayne Dickerson

### Homeownership Division

Sharon Campbell

Chuck Pickering

### Internal Audit Division

Rachel Banks

### Mortgage Administration

Sharon Pommer

### Multifamily & Special Programs

Scott Keeports

### Section 8 Contract Admin.

Letonia Williams

Nikki Lassiter

Melva Boyd

Gwendolyn Coffey

David Russell

Judy Messer

Lamont Westbrook

### Section 8 Rental Assistance

Carol McEwen

Kathy Thomas

Georgiana Denehie

Janie Yandell

Christy Roberts

Tequilla Slayden

### Section 8 Contract Admin.

Shirlene Osborne

Tamera Roberts

Gina Burroughs

Timothy Morris

Steve Couch

Willa Lankford

Robbie Woodard

Shannon Lannom

Kelly Franklin-Sanders

Lesa Jackson

### Section 8 Rental Assistance

Tyrone Avery

Gretchen Mason

Sharlene Helzer

# Outreach Outreach

## 2002 Employee Awards



Sam Epting  
Hall of Fame



Linda Foulks  
Mentor/Coach of the Year



Larry Richardson  
Management/Leadership Award



Vickie Dearborn  
Rookie of the Year



Wayne Beard, Ed Lozier, John Hubbard, Mark Davis and Joe Brown  
Teamwork Award

# Outreach Outreach

## 2002 Employee of the Quarter Winners



1st Quarter Winner  
David Castle



2nd Quarter Winner  
Henry Snorton



3rd Quarter Winner  
Deborah Shearon



4th Quarter Winner  
Linda Foulks

# Outreach Outreach



*Jordan Harris & Karlie Perkins*



*Ross Fellman, David Pugh, Rachel Salyers & Jordan Mitchell*



*Lauren Parker*



*Angel Ross*



*Joshua Mitchell*

**THDA Children &  
"A Place I Call Home"  
Contest Winners**



*Karry, Karly & Kelley Miller*